

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-288-E - ORDER NO. 2011-660
SEPTEMBER 21, 2011

IN RE: South Carolina Electric & Gas Company's)	ORDER APPROVING
Notification of Proposed Subdivision of Real)	PROPOSED
Property)	SUBDIVISION OF REAL
)	PROPERTY

This matter comes before the Public Service Commission of South Carolina ("Commission") on the request of South Carolina Electric & Gas Company ("SCE&G") for approval of its planned subdivision of certain real property and transfer of its ownership interest in a portion of the property to Peak Holdings, LLC ("Peak").

By Order No. 92-931 ("Order"), dated November 13, 1992, issued in Docket No. 89-230-E/G, the Commission approved certain recommendations and reporting requirements regarding real property owned by SCE&G. Among the recommendations and reporting requirements related to real property, the Order states, "Before a tract of land is sub-divided into parcels that have market values of less than \$150,000, the Company must file such proposed partitioning with the Commission for review."

SCE&G operates the V.C. Summer Nuclear Station ("VCSNS" or "Facility") near Jenkinsville, South Carolina. The Facility is jointly owned by SCE&G and the South Carolina Public Service Authority ("Santee Cooper"), whereby SCE&G has a two-thirds ($\frac{2}{3}$) ownership interest in the Facility and Santee Cooper owns the remaining one-third

($\frac{1}{3}$) interest. In conjunction with the ownership of VCSNS, SCE&G and Santee Cooper have constructed a new nuclear emergency operations facility (“EOF”) for VCSNS. The new EOF is located on a 6.44-acre parcel of land which is situated along Broad River Road in the northwestern portion of Richland County (“Property”). This location was selected for the new EOF because it is outside of the Facility’s 10-mile radius Emergency Planning Zone and will comply with new federal rules recently proposed by the Nuclear Regulatory Commission (“NRC”). See Nuclear Regulatory Commission Docket ID No. NRC-2008-0122. Accordingly, the Property is classified on the books and records of SCE&G as utility property and is therefore included within the Company’s rate base.

The Property, in which SCE&G owns an undivided two-thirds ($\frac{2}{3}$) interest and Santee Cooper owns an undivided one-third ($\frac{1}{3}$) interest, is almost entirely landlocked by real property owned by Peak with only an approximately 60-foot-wide frontage along Broad River Road. This amount of frontage is insufficient to provide adequate ingress and egress onto Broad River Road from the Property.

To remedy this problem and in order to gain adequate access to the Property, SCE&G and Santee Cooper entered into an agreement with Peak whereby the parties agreed to cooperate in and to share the costs of the construction of a new roadway adjacent to the Property (“Roadway”) on land owned by Peak. Pursuant to the parties’ agreement, Peak has granted SCE&G and Santee Cooper a perpetual easement over its property concerning the completed Roadway for purposes of ingress to and egress from the Property. As consideration for Peak providing the land upon which the Roadway is to

be located, SCE&G and Santee Cooper have agreed to convey to Peak by limited warranty deed a certain portion of the Property totaling approximately 0.383-acre.

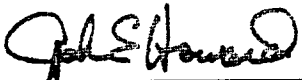
SCE&G has notified the Commission of its intent to subdivide the Property so that SCE&G may convey its undivided two-thirds ($\frac{2}{3}$) share of the 0.383-acre parcel to Peak. After the Property has been subdivided, the resulting 0.383-parcel will have a market value of less than \$150,000. Santee Cooper has already conveyed a limited warranty deed of its undivided one-third ($\frac{1}{3}$) share of the 0.383-acre portion to Peak.

The value of the 0.383 acre conveyed to Peak represents SCE&G's consideration given for the easement and upon the conveyance of the 0.383 acre to Peak, SCE&G will reclassify the book value of the land conveyed from land held in fee to land rights. Per "Electric Plant Instruction No. 7 – Land and Land Rights" of the FERC Uniform System of Accounts prescribed for public utilities, as adopted by the Commission, the cost of land and land rights (such as easements) are treated similarly. Accordingly, there will be no change in net plant as a result of this transaction. In addition, similar to land owned in fee, perpetual easements such as the one being received by SCE&G in this transaction are not depreciated. Furthermore, because the proposed transaction will not involve a change to any of SCE&G's retail rates or prices or require any change in Commission rule, regulation, or policy, neither notice to the public at large nor a hearing is required in this matter. The South Carolina Office of Regulatory Staff has reviewed SCE&G's request to subdivide the property and transfer its property interest as described herein and has no objection.

The Commission has examined SCE&G's request, and has concluded that it is consistent with the public interest and should be approved. Therefore, the Commission grants the requested relief.

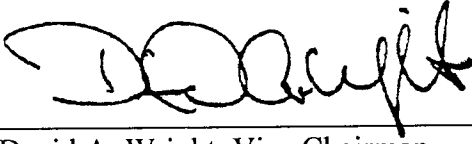
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)